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DEPLETING WELFARE ROLES--A STUDY OF WELFARE RECIPIENTS.

BY- PEARCE, FRANK C.
MODESTO JUNIOR COLL., CALIF.

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THIS REPORT, THE EIGHTH IN A SERIES OF STUDIES ON THE NEW HOPE PROJECT, DISCUSSES THE PROJECT'S EFFECT ON THE WELFARE ROLLS OF STANISLAUS COUNTY, CALIFORNIA. NEW HOPE PROPOSES TO EDUCATE WELFARE RECIPIENTS BY MODIFYING THEIR ATTITUDES AND DEVELOPING SKILLS NECESSARY FOR THEM TO BECOME CONTINUOUSLY EMPLOYED. INSTRUCTION INCLUDES BASIC EDUCATION, VOCATIONAL TRAINING, AND PERSONAL DEVELOPMENT CLASSES. THE INFORMATION AND ENSUING DISCUSSIONS PRESENTED IN THIS REPORT (1) DETERMINE IF THE PROGRAM AFFECTS WELFARE ROLLS IN ANY WAY, (2) SURVEY THE AMOUNTS OF THE FINANCIAL NEEDS OF AND THE WELFARE GRANTS TO TRAINEES BEFORE, DURING, AND AFTER EDUCATION, (3) EXAMINE THE TOTAL AMOUNT THAT THIS PROJECT SAVED PUBLIC FUNDS DURING ITS 1ST YEAR SINCE SOME PARTICIPANTS LEFT THE WELFARE ROLLS AFTER INSTRUCTION AND OTHERS REDUCED THEIR GRANTS THROUGH PART-TIME WORK, AND (4) IDENTIFY THOSE FACTORS WHICH DIFFERENTIATE INDIVIDUALS WHO LEFT WELFARE ROLLS AFTER TRAINING FROM THOSE WHO STAYED ON. IN PRESENTING THIS INFORMATION, THE REPORT DISCUSSES THE TRAINEES' EDUCATIONAL BACKGROUNDS, EMPLOYMENT EXPERIENCE, FAMILY SIZE, PERFORMANCE ON THE GENERAL APTITUDE TEST BATTERY, AND PREVOCATIONAL TRAINING. (CL)

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MDTA New Hope Project

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# DEPLETING WELFARE ROLES:

# A STUDY OF WELFARE RECIPIENTS

Prepared by: Frank C. Pearce, Ph.D.
Adult Division, Modesto Junior College
Yosemite Junior College District
Modesto, California

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# DEPLETING WELFARE ROLES

Some have called it the affluent society --- where one has more than what one needs. Yet, our cultural heritage is rooted in a state of deprivation and most can cite with pride an instance and the circumstances under which they had less than they needed. With very little prompting, each can return to a time when the meaning of hunger, cold, or loneliness was real. This is a willing return because it includes the security of touching while knowing it won't have to be relived, plus the knowledge that one has been able to climb above such circumstances. In reality the trip back may be a little foggy, but that only makes getting there and getting back more satisfying. Such a society looks upon hunger, cold, and poverty as temporary conditions that can be overcome with a little individual effort. The question of whether this is fact or fancy is meaningless. The point being that society, guided by its past, sees people outside its ranks who need more than they have and in examining its own experience of effort, evolves a program of temporary economic assistance.

In a number of cases, however, public dependence has not been temporary. Welfare roles have continued to grow and second or third generation relief recipients are not unknown. In some cases it has become the end instead of the means to an end. Some are unable, while others are unwilling, to make the kind of effort needed to help themselves. It was apparent that something more than what welfare agencies currently provide was needed. One possibility was an educational program designed to help people develop the attitudes and skills needed to become continuously employed. However, even if this could be accomplished, the question of whether it would deplete the welfare roles was still unanswered.

In an attempt to answer this question a study of the New Hope Project was undertaken. This project had been able to demonstrate through the use of certain methods and procedures that individual attitudes could be modified and the needed skills acquired. Moreover, this junior college project was one of the first in the state and had already received over one thousand referrals in a two year period. All of these referrals were unemployed and undereducated adults. In addition, 426 had been associated with welfare at one time or another. This meant that sufficient numbers of recipients had been trained so that one could have some confidence in the findings.

This program has been described in considerable detail in the 1966 Annual Report of the Modesto Junior College, Adult Division. Essentially, it was a combination prevocational-vocational training project. The basic education components of reading, language and mathematics were offered as preparation for vocational training. Vocational areas included health and culinary occupations, custodial, dry cleaning, clerical, sales, dairy-milkers, farm mechanics and a number of other skill areas. Thus, trainees were able to see exactly where they were going and the need for certain basic and vocational skills to reach their goal. In effect, the program was meaningful to them. The other essential feature of this program was the motivational or personal development classes. These were based on the concept of involvement and led to modifications in attitudes that determined whether the adult even tried to go to work after completing training. This project seemed to offer the kind of training that could be effective, but was it?

PURPOSE OF THE STUDY

This study was designed to assess the effectiveness of the New Hope Project in assisting undereducated and unemployed adults to remove themselves from welfare roles. In effect, it was a partial attempt to answer the question does training make any difference? In order to achieve this purpose, attention was given to three objectives.

1. What is the extent and nature of the recipient's involvement in the welfare program prior to, during, and after the training program?

2. What is the reduction, if any, in the number of persons on welfare after training and what is the resulting effect on public funds?

3. What is the difference, if any, between the person who goes off welfare roles and the person who remains on welfare roles after training. In effect, can any pattern be discerned between these individuals that could account for their actions?

PROCEDURE

In order to fulfill the objectives, a descriptive study was initiated. Data was acquired from welfare, employment and education records. Discussion with social workers, employment officers, teachers and the welfare recipients helped to provide a framework and setting for the study. Specific data was gathered from welfare case records, employment follow ups and aptitude tests, student characteristics, status reports, and achievement tests. Such information was gathered from all persons who were defined as welfare recipients and provided the answers to some 150 different questions.

Possibly the most difficult data to gather was that provided by welfare case records because of the large amount of information available and the complexity of such records. An initial sampling of records provided an overview of the information that would be available on all records. Coding procedures were devised to allow for the variability in such records and two persons did all coding to insure reliability. Nevertheless, interpretation of the records was difficult and required constant checking for procedure between coders and clarification of records by the social workers. For example, the way the forms were filled out varied from one case to the next, while the location of information was not consistent. Computation methods varied, although the same results were usually obtained. Another problem was the decision of which budget sheet to use when ten or so were sometimes available. In addition, recipients were often part of large extended families so that constant checking to make sure that the correct records were being used was necessary. Finally, was the need to go through a file completely before knowing whether the recipient qualified for the study. Because of these and other problems, some three months were needed to gather the basic data. The cut-off date for searching welfare records was August 1966, characteristics and testing September 1966, and all other data November 1966.

## THE STUDY POPULATION

A welfare recipient was defined as any individual who had received a welfare grant within the period of one year prior to entering the New Hope Project. This eliminated all persons who had been on welfare five years ago, two years ago, etc., but were not on welfare sometime during the year before entering training. In effect, the study included only those persons who were still on welfare when

they sought training. Two-hundred and thirty-four people were included in the study and one-hundred and ninety-two excluded. If the later group had been included, it would have been very difficult to suggest that their decision to seek continuing employment was related to the training program. They were off welfare, although unemployed, and might have gone to work anyway. Therefore, only those individuals who were still on welfare or the more "hard-core" recipients were included. If the New Hope Project had any effect on these people, the impact on the others would be even more dramatic.

## LIMITATIONS OF THE STUDY

Individuals who were no longer receiving welfare grants on August 1, 1966 may return to the welfare roles one day, one month, or ten years later. Thus, to say someone is off welfare requires a longitudinal study over a period of years. In fact, the only way one can be certain that someone will never return to public assistance is when that person is deceased.

The study does not take into account seasonal fluctuations in the number of people on welfare roles. That is, more people may be on welfare in December than in June. However, it should be noted that all calculations were based on a one-year time period so that fluctuations could be averaged out.

The study was not designed to show cause and effect. That is, one cannot say that because a person was trained he went off welfare --- that type of conclusion requires an experimental design. At this time one can only say that a recipient did or did not go off welfare and that it may be related to the training program.

RESULTS OF THE STUDY

The scope of the study dictated a rather comprehensive investigation. To simplify the reporting process, it was necessary to divide the findings into three parts. Each part is based upon one of the objectives stated earlier. Since this is the eighth topic of study, the reports are numbered and titled as follows:

8.0 Depleting Welfare Roles: A Study of Welfare Recipients

8.1 Welfare Involvement Past and Present: Findings Part I

8.2 Return on an Investment: Findings Part II

8.3 What Makes the Difference?: Findings Part III

Report No. 8.1
Welfare
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Stanislaus County Multi-Occupational
Adult Training Project
MDTA New Hope Project

# Depleting Welfare Roles:

# A Study of Welfare Recipients

## WELFARE INVOLVEMENT PAST AND PRESENT

## FINDINGS PART I

Prepared by: Frank C. Pearce, Ph.D.
Adult Division, Modesto Junior College
Yosemite Junior College District
Modesto, California

# WELFARE INVOLVEMENT PAST AND PRESENT:

# FINDINGS PART I

## SUMMARY

It was found that the overall number of people on welfare constantly declined throughout training. These were not the same people during each period, but more tend to go off welfare than go onto welfare. Recipients were on welfare an average of eleven months prior to training, five months during training, and four months after training. By the end of training the number of recipients in a given class had declined by 50 percent, followed by another decline of 20 percent after training. Thus, of the 234 "persistent" recipients, one-third of those out of training were still on welfare and 14 percent were still being trained.

The recipients financial need tended to advance an average of 50 percent during training, while the amount for which he was eligible remained constant. At the same time, the amount he actually receives advanced 50 percent during training to the point where the recipient's grant was approximately the same as his need. Eligibility standards were poorly related to one's need or grant generally, but the relationship became even worse during the training period. It was apparent that subjective considerations in calculating grants tended to be more flexible during training than they were before or after training. The amount of a grant declined 6 percent after training from what it had been prior to training. Additional details are reported in the conclusions drawn for this portion of the findings on page 16 through 19.

FINDINGS

The findings in Part I of the welfare study were an attempt to describe the extent and nature of the recipient's involvement prior to, during, and after the training program. That is, in order to determine the extent to which welfare roles were depleted, a descriptive study of the recipient's status was needed. Since the primary concern was the training program provided by the New Hope Project, status in relation to that program was used as a basis.

As of August 1, 1966, there had been 1,006 separate referrals to the New Hope Project. Nearly one-half of these individuals had been known to welfare at one time or another. However, only 234 of these trainees had actually been on welfare within a one year period prior to entering the training program. Although this figure is correct, it does not present a clear picture since the proportion of persons on welfare at any given point in time will vary. Table 1 shows that not all of the recipients who were on welfare prior to training were still on welfare during or after training. That is, of the 234 recipients, 81 percent were on welfare prior to training. This decreased to 71 percent during training and 51 percent after training. At the same time, 44 of the 234 recipients were still in training. Moreover, only one-fourth of the 234 recipients were on welfare during any given period (15 percent prior only, 3 percent during only, and 7 percent after only). One third of the recipients were on welfare during all three periods, and the remaining one-fourth were on during two periods.

This same picture of continual change was also shown by the fact that seven people who were not on welfare previously, joined the welfare roles during training, while seventeen did so after training. The point being that the welfare status of trainees during the training period will change in approximately ten percent of the cases. Some will be going on welfare, some going off, while

others continue on welfare. This would appear to reflect both the constant re-evaluation of recipients carried on by welfare causing some decline, while some trainees apparently learn more about eligibility and apply for welfare funds. In addition, modifications in attitudes, personal growth, additional insights, etc., may promote such fluctuations.

TABLE 1

WELFARE STATUS OF NEW HOPE TRAINEES

| Period When on Welfare | f | % |
|---|---|---|
| Only prior to training | 35 | 15.0 |
| Prior and during training | 29 | 12.4 |
| Prior and after training | 15 | 6.4 |
| Prior, during, and after training | 79 | 33.7 |
| Prior, during, and still in training | 36 | 15.4 |
| Only during training | 7 | 3.0 |
| During and after training | 8 | 3.4 |
| Only after training | 17 | 7.3 |
| Still in training | 8 | 3.4 |
| Total | 234 | 100.0 |

It was apparent that knowing someone was on welfare at any particular point in time was not sufficient. The extent of his association in terms of time was also needed. Therefore, through Table 2, it was found that recipients tended to have been on welfare longer prior to training than during or after training. This was not unexpected as the opportunity to be on welfare during training was nearly half that of the period prior to training. On the other hand, insufficient years have passed since the New Hope Project was begun to allow meaningful

comparisons during the period after training. It was found, however, that recipients had been on welfare roles an average of 19 months prior to entering training, 6 months during training, and 8 months after training. This is the traditional method of reporting such figures, but it really doesn't mean too much since the average or mean is greatly influenced by extremes, such as the four people who had been on welfare more than seven years and the 37 who had been on 3 months or less. That is, four people contributed a weighting of 320 months, while 37 people contributed a weighting of only 111 months. Therefore, a more meaningful average is the number of months where one-half the recipients have been on welfare less time and where one-half have been on welfare more time, should be used. This is called the median (another kind of average) which was 11 months prior to training, 5 months during training, and 4 months after training.

TABLE 2

NUMBER OF MONTHS ON WELFARE ROLES

| | Prior to Training | | During Training | | After Training | |
|---|---|---|---|---|---|---|
| Months | f | % | f | % | f | % |
| 1-3 | 37 | 19.1 | 67 | 40.0 | 26 | 21.8 |
| 4-6 | 31 | 16.0 | 41 | 24.6 | 39 | 32.9 |
| 7-9 | 25 | 12.9 | 35 | 21.0 | 20 | 16.8 |
| 10-12 | 16 | 8.2 | 12 | 7.2 | 13 | 10.9 |
| 13-18 | 22 | 11.3 | 9 | 5.4 | 15 | 12.6 |
| 19-24 | 11 | 5.7 | 3 | 1.8 | 1 | 0.8 |
| 25-30 | 14 | 7.2 | - | - | 2 | 1.7 |
| 31-36 | 3 | 1.5 | - | - | 3 | 2.5 |
| 37-48 | 10 | 5.2 | - | - | - | - |
| 49-60 | 11 | 5.7 | - | - | - | - |
| 61-72 | 3 | 1.5 | - | - | - | - |
| 73-84 | 7 | 3.6 | - | - | - | - |
| 85 or more | 4 | 2.1 | - | - | - | - |
| Total | 194 | 100.0 | 167 | 100.0 | 119 | 100.0 |

Whether this finding will be perpetuated was unknown at the time of the report. At the same time it was possible to look more closely at the 39 individuals who had been on welfare 30 months or more. It was found that only 19 of these individuals were still on welfare after training. Moreover, the median was 4 months and the mean was 9 months. By using just those individuals with a relatively long welfare experience, it would appear that a finding of 4 months on welfare after training would not be unrealistic.

Another way to consider the extent of time on welfare is to look just at the 119 persons who were still on welfare after training. Eighty percent had been on welfare prior to entering training, six percent came on during training and were still on after training, while 17 went on welfare after training that had not been on during training or the year before entering training. In effect, persons who were on welfare prior to training had a higher probability of being on welfare than those who went on during training. Additional exploration of this point was undertaken in Findings Part III.

Another way to examine the extent of welfare involvement is through the funds paid to a recipient. This requires that one examine the recipient's financial need, the amount for which he is eligible, and the actual grant received. The recipient's financial need is shown in Table 3, where the need prior to and during training was shown. The figures prior to training provide a curve skewed to the left, because there are more of the recipients whose needs are relatively low, while during training a more normal distribution was found. Apparently welfare attempts to be somewhat more rigid prior to training, producing a greater proportion of the needs calculated at the lower financial levels, since one would expect a bell shaped distribution. That is, a few people having a very small need and a few having a very large need and most people somewhere in between.

TABLE 3

THE RECIPIENT'S FINANCIAL NEED

| Need Per Month | Prior To Training f | Prior To Training % | During Training f | During Training % |
|---|---|---|---|---|
| 100-150 | 37 | 19.2 | 9 | 5.4 |
| 151-200 | 48 | 24.7 | 27 | 16.2 |
| 201-250 | 46 | 23.8 | 30 | 17.9 |
| 251-300 | 32 | 16.5 | 35 | 20.9 |
| 301-350 | 15 | 7.7 | 26 | 15.6 |
| 351-400 | 9 | 4.6 | 17 | 10.2 |
| 401-450 | 5 | 2.5 | 15 | 9.0 |
| 451-500 | 1 | 0.5 | 5 | 3.0 |
| 501-550 | 1 | 0.5 | 3 | 1.8 |
| Total | 194 | 100.0 | 167 | 100.0 |

As it is, prior to training most had relatively lower needs being calculated by welfare. This would also suggest that greater flexibility is either allowed or taken when a recipient enters a training program.

Specifically, it was found that the mean financial need of a student on welfare was $224 prior to entering training and the standard deviation was $78.60. In effect, seventy percent of the families needed between $145 and $300 prior to training. During training their average need was $282 and seventy percent of all trainees needed between $188 and $376. Thus, seventy percent of the trainees needed between $43 and $76 more during training than they did prior to training. This increase in the family's need could be related to the increased need for transportation and baby sitting services when adults go to school. Moreover, the student's medical needs in terms of glasses and dental work increased, which

would seem to suggest that during the learning process certain deficiencies that might prevent learning were brought to light in such a way that the adult would want to have them corrected. Taking advantage of such medical services more readily would also tend to increase the need.

It was found that the financial need of a family on welfare prior to training averaged $223 when the need computation did not include medical need and $243 when the medical need was included in the computation. During training the average need, not including medical needs, was $319 when their calculated need did include a medical expense. This suggested that the county incurred a direct cost "savings" of $20 prior to training and $48 during training. In effect, the medical assistance card given to welfare recipients does reduce the actual cash outlay to the recipient by the county. In addition, such cards insure that county funds are spent for medical needs as intended. These findings also reinforce the point that during the learning process the medical needs of welfare recipients are brought more sharply into focus.

The second consideration in calculating the amount of the recipient's grant was the standards specifying the maximum amount for which one was eligible. This amount was based upon the number of dependents and tends to remain constant within these limits. Thus, where both parents are eligible, the amount will be higher than where only one parent is eligible. Table 4 shows that the maximum dollar eligibility for the welfare recipient averaged $206 in a one parent family prior to training and $202 during training. In a two eligible adult family, the maximum dollar eligibility averaged $251 prior to entering training and $243 during training. This is a graphic example of fixed standards being unable to reflect human variations. Table 4 suggestes that financial assistance needs change very little if the recipient attends training classes, while Table 3 clearly indicated

TABLE 4

MAXIMUM AMOUNT FOR WHICH ELIGIBLE

| Maximum Eligibility* | Prior to Training f | Prior to Training % | During Training f | During Training % |
|---|---|---|---|---|
| With One Parent: | | | | |
| 145-148 | 36 | 18.6 | 36 | 21.5 |
| 168-172 | 23 | 11.9 | 19 | 11.4 |
| 215-221 | 29 | 15.0 | 19 | 11.4 |
| 256-263 | 24 | 12.4 | 15 | 8.9 |
| 291-300 | 9 | 4.6 | 8 | 4.8 |
| 320-330 | 5 | 2.6 | 3 | 1.8 |
| 343-355 | 0 | - | 0 | - |
| 360-373 | 0 | - | 2 | 1.2 |
| Subtotal | 126 | 65.1 | 102 | 61.0 |
| With Two Parents: | | | | |
| 162-166 | 15 | 7.7 | 10 | 6.0 |
| 185-191 | 9 | 4.6 | 11 | 6.6 |
| 232-239 | 13 | 6.7 | 15 | 9.0 |
| 273-282 | 8 | 4.1 | 11 | 6.6 |
| 308-318 | 10 | 5.1 | 12 | 7.2 |
| 337-349 | 11 | 5.7 | 3 | 1.8 |
| 360-373 | 0 | - | 2 | 1.2 |
| 377-392 | 2 | 1.0 | 1 | 0.6 |
| Subtotal | 68 | 34.9 | 65 | 39.0 |
| TOTAL | 194 | 100.0 | 167 | 100.0 |

that the financial need increases. In effect, it would appear that a different set of standards are needed for recipients attending training classes. Fortunately this deficiency can be overcome by establishing categories of need outside those included in the standards. However, this activity precludes the value of such tables.

Table 4 suggested the number of one parent families decline slightly (10 percent) when welfare recipients entered training, while there was practically no change (2 percent decrease) in two parent families. This would appear to suggest that entering training tends to promote the establishment of the two parent family. That is, the number of one parent families tend to decline as recipients enter training. The reason for this is obscure and cannot be identified in this study.

In order to attempt some clarification of the finding that the number of single parent families decline when recipients enter training, Table 5 was devised. There was a 5 percent decrease in one parent families and a 5 percent increase in two parent families when recipients entered training. This was not a significant change, but does suggest a possible trend. At the same time it was found that two parent families with two or more children increased between 10 and 13 percent upon entering training, while the number of one parent families decreased between 9 and 21 percent upon entering training. Again, the findings are not statistically significant, but the presence of a trend was apparent.

It was found that the average number of dependents, exclusive of the recipient himself, was three. This was the same prior to and during training. In effect, the typical recipient would have to support three dependents plus himself on his allowance. Two-thirds of the time the dependents would be three children and one-third of the time one of the dependents would be an adult.

TABLE 5

NUMBER AND TYPE OF DEPENDENTS IN HOUSEHOLD

| Number of Dependents | Children Only f | % | Man & Child f | % | Woman & Child f | % | Man, Woman & Child f | % | Total f |
|---|---|---|---|---|---|---|---|---|---|
| **Prior to Training:** | | | | | | | | | |
| 2 | | | 1 | 2.7 | 36 | 73.0 | | | 37 |
| 3 | 1 | 2.7 | 1 | 2.7 | 21 | 56.8 | 14 | 37.8 | 37 |
| 4 | | | | | 28 | 73.7 | 10 | 26.3 | 38 |
| 5 | | | | | 21 | 61.8 | 13 | 38.2 | 34 |
| 6 | | | | | 11 | 52.4 | 10 | 47.6 | 21 |
| 7 | | | | | 5 | 35.7 | 9 | 64.3 | 14 |
| 8 | | | | | | | 11 | 100.0 | 11 |
| 9 | | | | | | | | | |
| 10 | | | | | | | 2 | 100.0 | 2 |
| Total | 1 | 0.5 | 2 | 1.0 | 122 | 62.9 | 69 | 35.6 | 194 |
| **During Training:** | | | | | | | | | |
| 2 | | | | | 35 | 100.0 | | | 35 |
| 3 | 1 | 3.2 | | | 20 | 64.5 | 10 | 32.3 | 31 |
| 4 | | | 1 | 3.6 | 16 | 57.1 | 11 | 39.3 | 28 |
| 5 | | | | | 15 | 48.4 | 16 | 51.6 | 31 |
| 6 | | | | | 8 | 42.1 | 11 | 57.9 | 19 |
| 7 | | | | | 2 | 14.3 | 12 | 85.7 | 14 |
| 8 | | | | | 1 | 20.0 | 4 | 80.0 | 5 |
| 9 | | | | | | | 3 | 100.0 | 3 |
| 10 | | | | | | | 1 | 100.0 | 1 |
| Total | 1 | 0.6 | 1 | 0.6 | 97 | 58.1 | 68 | 40.7 | 167 |

Findings to this point have been concerned with how much the recipient needs compared to how much he is eligible to receive. The real question is how much does he actually receive? Unfortunately, this is not as easily determined as it might appear. For example, the amount of the grant will change, in many cases, each month. Moreover, the amount of the grant does not reflect the week in some month that they received surplus food, were referred for emergency medical assistance, where circumstances warranted a supplemental clothing allowance and so forth. At the same time, these conditions are not always reflected in the need or eligibility calculations. This does allow a comparison if one recognized that the reported amount of the grant is not a precise amount. In fact, to emphasize this point, the findings are reported in terms of averages, ranges and deviations so that the variability of the grants can be immediately recognized.

Table 6 provides a comparison of financial need, eligibility and the actual grants. It was found that prior to training the recipient's mean financial need was about $60 less than during training, while the amount for which he was eligible remained the same or went down slightly and his actual grant went up some $90. In effect, during training the recipient's need goes up, he is eligible for the same amount as he was prior to training and he receives even more than the established need. To demonstrate that the finding was not an isolated incident, a computation of how well the finding represented at least seventy percent of the trainees was included in Table 6. It was found that seventy percent of the trainees who were on welfare needed between $43 and $76 more during training than prior to training; they were eligible for the same amount; but they actually received $55 to $127 more during training than they did prior to training. In this manner it was possible to establish that the amount for which one was eligible

did not change, but the need and grant increased. This would suggest a lack of relationship between the amount for which one was eligible during training and the amount one needed or received during training.

TABLE 6

COMPARISON OF NEED, ELIGIBILITY, AND GRANT
AMONG WELFARE RECIPIENTS PRIOR TO AND DURING TRAINING

| Category of Training | Need | Eligible * | Grant |
|---|---|---|---|
| Mean prior | $224 | 206-251 | 182 |
| Mean during | 282 | 202-243 | 273 |
| Standard deviation prior | $78.60 | 65.85 | 67 |
| Standard deviation during | 94.00 | 66.83 | 103 |
| Seventy percent of trainees (prior) | 145-300 | 141-316 | 115-249 |
| Seventy percent of trainees (during) | 188-376 | 136-309 | 170-376 |
| Change during training | Up 43-76 | Down 5-7 | Up 55-127 |

* Depends on number of adults and children in the family

It was found that the need of a recipient who enters training did not increase at the same rate as did his grant. In effect, the established need increased by 12 percent, but the grant increased by 20 percent. Thus, during training the grant was approximately the same as the need, while prior to training they tended to be dissimilar. Since the basic change in need was associated, primarily, with entering training it would appear that needs brought about by the training are more likely to be financially supported than other types of needs not normally encountered in dealing with welfare recipients.

This apparent lack of relationship was verified by computing Pearson Product Moment Correlations between need, eligibility and grant, as shown in Table 7.

TABLE 7

RELATIONSHIPS BETWEEN NEED, ELIGIBILITY, AND GRANT

| | Need Prior | Eligible Prior | Grant Prior | Need During | Eligible During | Grant During |
|---|---|---|---|---|---|---|
| Need Prior | | .78 | .70 | .81 | | |
| Eligible Prior | | | .57 | | .96 | |
| Grant Prior | | | | | | .10* |
| Need During | | | | | .83 | .30* |
| Eligible During | | | | | | .41 |
| Grant During | | | | | | |

* $P < .005$ where $t = \frac{r\sqrt{N-2}}{\sqrt{1-r^2}}$ & d.f. = N-2

It was found that prior to training, the correlation coefficient was .78 between need and eligibility and .70 between need and the actual grant, but only .57 between the amount for which one is eligible and the actual grant. Thus prior to training the amount one needs is related to the amount one is eligible for and the amount one receives. On the other hand, the amount one is eligible for is poorly related to the amount one actually receives, although a hypothesis of no relationship could not be statistically accepted.

During the training period the need was strongly related to the amount for which one was eligible, (.83) but not related to the amount one received (.30). In fact, one could be confident that the probability of reporting no relationship

when there actually was a relationship was less than five out of one thousand chances. It was also found that the probability there was no relationship between the amount for which one was eligible and the amount of the grant (.41), could not be rejected. It would appear that there was a lack of relationship between the recipient's need and his grant, as well as between his eligibility and his grant during training.

Table 7 also shows that the amount of need prior to and during training was directly related (.81) as was the amount for which one was eligible (.96). Yet, the likelihood that there was no relationship between one's grant prior to and during training (.10) could not be rejected. After training was completed, the grant was apparently related to the recipient's grant prior to training (.49). This would suggest that the procedures used to determine a grant (objective as well as subjective procedures) tended to be the same after training as they were prior to training. Since objective considerations tend to remain constant over time, differences would have to be due to subjective considerations and decisions of the case worker during the training period.

With the knowledge that a given welfare grant could not be considered an exact figure, a distribution of such grants was reported. It was found through Table 8, that one-half of the recipients received more than $168 prior to training, more than $266 during training, and more than $159 after training. In effect, the grants of the recipients increased 50 percent during training, but decreased 6 percent after training. It was immediately apparent that the amount of grants prior to and during training followed the same pattern as established in previous tables where the amount was considerably higher during training than prior to training.

TABLE 8

AMOUNT OF WELFARE GRANT

| Grant Amount | Prior to Training f | % | During Training f | % | After Training f | % |
|---|---|---|---|---|---|---|
| 1-25 | 0 | - | 0 | - | 2 | 1.7 |
| 26-50 | 2 | 1.0 | 1 | 0.6 | 2 | 1.7 |
| 51-75 | 5 | 2.6 | 1 | 0.6 | 9 | 7.6 |
| 76-100 | 8 | 4.1 | 0 | - | 9 | 7.6 |
| 101-125 | 21 | 10.8 | 8 | 4.8 | 6 | 5.0 |
| 126-150 | 41 | 21.2 | 13 | 7.8 | 25 | 21.0 |
| 151-175 | 29 | 14.9 | 7 | 4.2 | 20 | 16.8 |
| 176-200 | 18 | 9.3 | 13 | 7.8 | 10 | 8.4 |
| 201-225 | 23 | 12.0 | 10 | 6.0 | 9 | 7.6 |
| 226-250 | 13 | 6.7 | 20 | 12.0 | 9 | 7.6 |
| 251-275 | 12 | 6.2 | 18 | 10.7 | 6 | 5.0 |
| 276-300 | 10 | 5.1 | 12 | 7.2 | 6 | 5.0 |
| 301-325 | 7 | 3.6 | 17 | 10.1 | 2 | 1.7 |
| 326-350 | 3 | 1.5 | 12 | 7.2 | 2 | 1.7 |
| 351-375 | 1 | 0.5 | 6 | 3.6 | 1 | .8 |
| 376-400 | 0 | - | 7 | 4.2 | 1 | .8 |
| 401-450 | 1 | 0.5 | 14 | 8.4 | 0 | - |
| 451-500 | 0 | - | 3 | 1.8 | 0 | - |
| 501-550 | 0 | - | 4 | 2.4 | 0 | - |
| 551-600 | 0 | - | 1 | 0.6 | 0 | - |
| Total | 194 | 100.0 | 167 | 100.0 | 119 | 100.0 |

After training one would expect the grant to be very similar to what it was prior to training, since the needs directly related to training would, physically, cease to exist. In fact, if grant and need were closely associated, the amount of the grant after training should increase. That is, if education does broaden one's horizons, experiences and knowledge, then one's felt needs should be even greater after training than they were before training. It was found, however, that one-fourth of the trainees who received the lowest grants received about the same amount before training as after training. This was also true of twenty-five percent who received the highest grants before and after training. Although the average grant was some $12 less after training, there was no statistically significant difference. Perhaps a trend does exist, in that after training those who do return to welfare require less financial support than they did prior to training. This appears to be probable and was supported factually in the second portion of the findings.

CONCLUSIONS:

1. That one-fourth of all trainees referred to the New Hope Project can be described as "persistent" welfare recipients, but nearly one-half of these trainees will be associated with welfare at one time or another. However, the proportion on welfare will decline by one-half at the end of training and by another twenty percent after the training period.

2. That the proportion of persons on welfare tends to be in a constant state of flux. Some go off when training starts, others come on, some continue on throughout the training period and a few will begin on welfare after training has ended. A number of considerations may be associated with this activity

including: constant evaluation by welfare of the recipient's needs and eligibility; allowances provided by employment during training; non-recipients learning about eligibility and making application for financial support; modifications in attitudes toward welfare; changing self concepts and personal insights in relation to welfare; and becoming employed during and after training.

3. That prior to entering training the "typical" trainee will have been on welfare approximately one and one-half years. He will spend some five months in training. The longer he has been on welfare prior to training, the greater is his probability of staying on welfare after training. The New Hope Project has not been in operation long enough to provide any certainty to figures about how long a recipient who is on welfare after training will remain in that status. Presently they stay on welfare approximately four months before leaving the roles. The same conclusion must be drawn about those who leave the welfare roles, since they may return at some later date.

4. That the financial need of welfare recipients tends to concentrate at the lower support levels prior to training, but concentrates at the middle levels during training. Higher levels of need during training may be associated with the need for transportation and baby sitting services, plus increased awareness by recipients about their medical needs being met. That is, the medical problems of an adult who returns to school are brought more clearly into focus, the adult will recognize such problems and see the need to have them corrected.

5. That the medical card currently employed by welfare reduces the actual cash outlay to recipients by twenty to fifty dollars. This provides an indirect savings to the county plus insuring that funds are being used in the manner intended.

6. That calculations of financial need will be more flexible for the recipient who enters a training program than they are prior to or after training. In effect, subjective considerations appear to be more likely to lead to additional financial support. Apparently, the worker is provided additional flexibility and is willing to take advantage of this in establishing need during the training period.

7. That the maximum dollar eligibility or participation base tables do not adequately reflect the needs of a welfare recipient in other than "normal" circumstances. These tables do provide a beginning point and may prevent large fluctuations by those who make too many subjective considerations in calculating a grant; however, this seems to be their only real advantage. In fact, it would appear that separate base tables should be prepared for recipients in special circumstances. This is not to make the efforts more mechanical, eliminating an individual approach, but rather to minimize human errors in judgment and insure the same treatment of all recipients in a given category or set of circumstances.

8. That the majority of recipients receive between $115 and $250 prior to training and this will increase some fifty percent during training. However, after training is over, the individual who stays on welfare receives a grant that is ten percent less than he originally received. Therefore, it is apparent that

even the recipient who remains on welfare after receiving training requires less public support than he required prior to training. Even on welfare, the contribution in human resources are supplemented by financial savings.

9. That the number of families with a single parent declines during training, while the families with two parents tends to increase. The probability of this occurring will increase with the number of children in a given family. This increase in two parent families may be related to employment's eligibility standards being based upon a head of household status, rather than the presence of a particular adult parent.

10. That there is a minimal relationship between the amount a welfare recipient is eligible to receive and the amount calculated he needs or the grant he actually receives. The amount for which the recipient is eligible remains the same whether he is or is not in training. The amount the recipient needs is calculated at about the same figure, whether he is in training or not. However, the recipients grant prior to training bears no meaningful relationship to what he gets during training.

It is apparent that the basis for carrying out calculations is subject to human variation and subjective judgment. Both factors acting together in a climate that apparently favor training produce grants for welfare recipients that generally will be higher than one would expect on the basis of need or eligibility standards. Clearly, the approach by welfare, in this regard, will vary according to the individual case.

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Stanislaus County Multi-Occupational
Adult Training Project
MDTA New Hope Project

# Depleting Welfare Roles:

## A Study of Welfare Recipients

## RETURN ON AN INVESTMENT:

## FINDINGS PART II

Prepared by: Frank C. Pearce, Ph.D.
Adult Division, Modesto Junior College
Yosemite Junior College District
Modesto, California

# RETURN ON AN INVESTMENT: FINDINGS PART II

## Summary

It was found that nearly one-half of all referrals to the New Hope Project had been associated with the Department of Welfare at one time or another. Nearly two-thirds of the individuals included in the study were no longer on welfare roles and over one-half were working. Their employment was probably full time, although it was as likely to be non-training related as training related employment.

During the first year after training was completed there was a savings of $132,000 of public funds; training costs, including allowances, grants, teachers, facilities, etc., were $337,000; earnings were $300,000. Therefore, total savings plus earnings were nearly one-half of a million dollars during the first year. Net return on the investment was nearly one hundred thousand dollars. Yet, the most significant finding of all was the possibility that the chain of public dependency may have been broken.

Specific conclusions regarding this portion of the study are reported on pages 17 and 18.

## Findings

This portion of Part II of the welfare study has an attempt to answer the questions of "What is the reduction, if any, in the number of persons on welfare after training", and "What is the resulting effect on public funds?" It was found that 1,006 individual referrals had been received by the New Hope Project. Table I shows that 42.4 percent had been associated with welfare at one time or another. Over one-half had not been on welfare in the county at any time; that is, two out of every five trainees had been associated with welfare. At the same time, 19.1 percent had not been on welfare within a year prior to entering training. In

addition, 4.4 percent were still in training and whether they would go to work was unknown. The remaining 190 people served as the basis for this study because they had completed their training, plus their association with welfare was recent and in some cases continuous. In effect, these 190 individuals fit the definition of "hardcore" welfare recipients. They appeared to be the most likely to remain on welfare and calculations of earning power based on this group would be conservative. In addition, they represented nearly one-half of all the trainees who had ever been known to welfare.

TABLE I

TRAINEE WELFARE STATUS ON AUGUST 1, 1966

| Welfare Status | Frequency (f) | Percent | Percent of Total Welfare Recipients |
|---|---|---|---|
| Not on welfare | 580 | 57.6 | -- |
| Known to welfare* | 192 | 19.1 | 45.1 |
| On welfare & in training | 44 | 4.4 | 10.3 |
| On welfare - training completed | 74 | 7.4 | 17.4 |
| Off welfare - training completed | 116 | 11.5 | 27.2 |
| Subtotal | 426 | 42.4 | 100.0 |
| Total | 1006 | 100.0 | 100.0 |

* Not on welfare within one year prior to training

Using these 190 people as a basis it was found that 61.1 percent left the welfare roles after training, while 38.9 percent remained on the welfare roles. Comparable figures from other training projects were unavailable, but it had been anticipated that if one out of five left welfare after training it would have been a satisfactory achievement. The fact that three out of five went off welfare was much better than expected.

In order to determine the financial effect of this reduction, it was necessary that the rate of employment be determined. Department of Employment reports were used to prepare Table II. It was found that nearly forty-three percent of the recipients were employed when the follow-up was conducted. Nearly one-fourth of these individuals were still on welfare when the data was collected. It should be noted that although these individuals were still on welfare after training, the amount of their grant was reduced by what they earned. In effect, their job provided less earnings than what their family needed to subsist. Perhaps in view of this some would be surprised that they bother to go to work at all when their needs could be met by welfare alone.

TABLE II

EMPLOYMENT STATUS AFTER TRAINING WAS COMPLETED

| | Welfare Status after Training Completed | | | | | |
|---|---|---|---|---|---|---|
| Employment Status | Off Welfare f | % | On Welfare f | % | Total f | % |
| Employed | 57 | 49.2 | 24 | 32.4 | 81 | 42.6 |
| Unemployed | 9 | 7.7 | 11 | 14.8 | 20 | 10.5 |
| Out of labor force | 15 | 12.9 | 21 | 28.4 | 36 | 18.9 |
| Unknown | 35 | 30.2 | 18 | 24.4 | 53 | 28.0 |
| TOTAL | 116 | 100.0 | 74 | 100.0 | 190 | 100.0 |

Approximately 10 percent of the recipients were unemployed. As was anticipated, the percent of unemployed still on welfare was twice as high as those who had left the welfare roles. The total rate of unemployment of recipients was very comparable to the project's overall rate of unemployment (13 percent).

It was found that nearly one out of every five recipients were out of the labor force (for one reason or another unavailable for work). Although 28.4 percent still on welfare were so classified, only 12.9 percent of those who had left welfare were out of the labor force. This would suggest the possibility that persons who stay on welfare are much more likely to remove themselves from the labor force than individuals who go off welfare. In effect, those who decide to go off welfare are more likely to be seeking employment.

The unknown quantity in all of the foregoing was relatively high. Over one-fourth of the recipients could not be contacted by employment. This was true of those who were off welfare roles as well as those who remained on welfare after their training was completed. The difficulty in making contact with these persons after training is well established. Nevertheless, there is a need for closer coordination of activities between welfare and employment since twenty percent of the persons reported as unknown were in fact known to welfare at the time.

The act of being employed provides a partial picture of the state of employment. However, rates of employment become more meaningful when they include whether or not the job is training related as well as whether it is part time or full time. It was found through Table III that one-half of the recipients were employed in training related jobs and one-half were at work on non-training related jobs. This was 25 percent less working at training related employment than was the case for the total project. The reason for this difference could not be established

with the available data, but could be established through additional study. There were no apparent differences, in terms of employment being training related, full time, or part time, between individuals who were either on or off welfare. However, it was noted that full time employment exceeded 80 percent for both groups.

TABLE III

COMPARISON OF TRAINING RELATEDNESS AND LEVEL OF EMPLOYMENT

| Type of Employment | Off Welfare Roles f | % | On Welfare Roles f | % |
|---|---|---|---|---|
| Training Related | 30 | 52.6 | 10 | 41.7 |
| Non-Training Related | 27 | 47.4 | 14 | 58.3 |
| TOTAL | 57 | 100.0 | 24 | 100.0 |
| Works Full Time | 47 | 82.5 | 19 | 79.2 |
| Works Part Time | 10 | 17.5 | 5 | 20.8 |
| TOTAL | 57 | 100.0 | 24 | 100.0 |

In effect, the person who is on the welfare roles is just as likely to be employed full time in a training related occupation as the person who is off the welfare roles.

Upon recognition of the fact that these employment rates are only true for a given week some three, six, or twelve months after training was completed, the adequacy of the figures becomes questionable. In effect, someone may have been employed the day before or the day after they were contacted and they are still reported as unemployed. In order to complete the picture of employment, the number of weeks of employment and unemployment for those who were reported as being

unemployed or out of the labor force must be known. To provide this additional information on the employment picture, Table IV was devised. It shows the number of weeks those who were unemployed and out of the labor force had actually worked. It was found that only one person who was no longer on welfare and reported as being unemployed had not worked at all since completing training. In fact, the average number of weeks employed was 14 with a range of 3 to 42 weeks. On the other hand, they had averaged 29 weeks of unemployment. Those who were still on welfare and unemployed had worked an average of 5 weeks and not worked an average of 16 weeks. Moreover, five of those individuals still on welfare had not worked at all for about five months. In effect, it was found that 50 percent of those persons reported as being unemployed had actually worked an average of four months during the year. As was anticipated, those who were unemployed, but off welfare, had worked three times as long as the unemployed still on welfare.

Approximately forty percent of the persons reported as being out of the labor force had not worked at all since completing their training. The other sixty percent had worked an average of ten weeks, while being unemployed for some twenty-five weeks since they had completed their training program.

If one were to consider all of those people who had been employed two-thirds of the time since completing their training, but who were reported as being unemployed or out of the labor force, as being employed; the rate of employment would be fifty percent. If the question were how many had been employed either full or part time since completing their training, then the rate of employment would be reported as sixty-one percent. Thus the true rate of employment was found to be between fifty and sixty percent for all persons who had been classified as welfare recipients.

TABLE IV

COMPARISON ON WEEKS OF EMPLOYMENT

| Number of Weeks | REPORTED AS UNEMPLOYED | | | | REPORTED AS OUT OF LABOR FORCE | | | |
|---|---|---|---|---|---|---|---|---|
| | Employed | | Unemployed | | Employed | | Unemployed | |
| | f | % | f | % | f | % | f | % |
| PERSONS OFF WELFARE | | | | | | | | |
| 0 | 1 | 11.1 | 0 | 0.0 | 6 | 40.0 | 0 | 0.0 |
| 1-8 | 3 | 33.3 | 1 | 11.1 | 2 | 3.4 | 1 | 6.6 |
| 9-24 | 3 | 33.3 | 3 | 33.3 | 5 | 33.2 | 7 | 46.8 |
| 25 or more | 2 | 22.3 | 3 | 44.5 | 2 | 13.2 | 7 | 46.6 |
| TOTAL | 9 | 100.0 | 9 | 100.0 | 15 | 100.0 | 15 | 100.0 |
| PERSONS ON WELFARE | | | | | | | | |
| 0 | 5 | 45.4 | 0 | 0.0 | 9 | 42.9 | 0 | 0.0 |
| 1-8 | 3 | 27.3 | 2 | 18.2 | 3 | 14.3 | 4 | 19.0 |
| 9-24 | 3 | 27.3 | 7 | 63.6 | 6 | 28.5 | 8 | 38.2 |
| 25 or more | - | - | 2 | 18.2 | 3 | 14.3 | 9 | 42.8 |
| TOTAL | 11 | 100.0 | 11 | 100.0 | 21 | 100.0 | 21 | 100.0 |

Those who were reported as being out of the labor force raise one additional question for the employment picture. That is, why aren't these people seeking employment? Reasons having to do with illness, pregnancy or being incarcerated are often considered very valid reasons for not seeking employment. Table V shows that approximately two-thirds of the recipients are out of the labor force for reasons that may not be acceptable to all concerned. It would appear that

the percent who are out of the labor force should be reported as 8.6 percent for those still on welfare and 18.9 percent for those who have left the welfare roles. In terms of the reason for being out of the labor force there were no differences between those who stayed on and those who left the welfare roles. That is, similar reasons were given by both groups.

TABLE V

STATED REASON FOR BEING OUT OF THE LABOR FORCE

| Reason | Off Welfare Role f | Off Welfare Role % | On Welfare Role f | On Welfare Role % |
|---|---|---|---|---|
| Readily Acceptable Reasons: | | | | |
| Illness - Pregnancy | 4 | 26.6 | 5 | 23.8 |
| Going to School | - | - | 2 | 9.5 |
| Incarcerated | 1 | 67.0 | 1 | 4.8 |
| Questionable Reasons: | | | | |
| Keeping House | 6 | 40.0 | 8 | 38.1 |
| Domestic Problems | 1 | 6.7 | 2 | 9.5 |
| Others | 3 | 20.0 | 3 | 14.3 |
| TOTAL | 15 | 100.0 | 21 | 100.0 |

The next step in Part II of the study was to determine the financial contribution of welfare recipients to the general economy after completing their training. This was done by calculating the cost to the county to keep recipients on welfare the year prior to entering the training program; the cost to maintain

those who stayed on welfare after training; and the amount earned by those who went to work. All of these calculations were carried out for a one-year period in order to avoid seasonal fluctuations. The computations were carried out in the following manner: Welfare and employment allowances are reported on a monthly basis and these costs were simply totaled for the year. In order to calculate the earnings, full time employment was considered to be forty hours per week and part time employment twenty-four hours per week. The latter figure was the average number of hours worked per week by part time employees. Earnings per hour were reported by occupation or taken from the averages established in report 7.0 entitled "Continuing Employment Through Training". If the individual had worked less than a year the proportion of weeks employed to weeks unemployed was used to project weeks worked during the year. The same procedure was used for those who had worked over one year.

It was found through Table V that welfare costs were $235,384 during the year prior to training and $90,425 the year after training. In effect, the expenditures of public funds to maintain welfare recipients was reduced by nearly $150,000 after training had been completed. Two factors acting in combination were responsible for this reduction. First, some recipients no longer needed welfare, since they were employed, while others were working part time which reduced the amount of the grant they received. In effect, they went to work full or part time, thus they did not need the county's financial support or they needed considerably less financial support. Secondly, medical costs were not included in the recipients grant after March 1, 1966. Using an average medical expense of $30 per month over 4 months for sixty-three recipients, this accounted for a savings of some $7,360 in direct county expenditures.

TABLE VI

PUBLIC EXPENSE TO MAINTAIN AND TRAIN WELFARE RECIPIENTS AS COMPARED TO THEIR EARNINGS AFTER TRAINING

| Allowance or wages per year | Prior to Training | | After Training | | Cost to Train | | Earnings | |
|---|---|---|---|---|---|---|---|---|
| | f | % | f | % | f | % | f | % |
| 100 or less | - | - | 1 | 1.3 | - | - | 1 | 1.0 |
| 101 - 300 | 15 | 9.7 | 5 | 6.7 | 17 | 13.9 | 6 | 5.7 |
| 301 - 500 | 13 | 8.4 | 8 | 6.7 | 14 | 11.5 | 5 | 4.9 |
| 501 - 700 | 18 | 11.5 | 10 | 13.6 | 15 | 12.3 | 5 | 4.9 |
| 701 - 900 | 8 | 5.2 | 9 | 12.2 | 15 | 12.3 | 4 | 3.8 |
| 901 - 1100 | 10 | 6.4 | 10 | 13.6 | 8 | 6.6 | 5 | 4.9 |
| 1101 - 1300 | 7 | 4.5 | 7 | 9.5 | 3 | 2.5 | 4 | 3.8 |
| 1301 - 1500 | 11 | 7.1 | 3 | 4.0 | 11 | 9.0 | 4 | 3.8 |
| 1501 - 1700 | 8 | 5.2 | 8 | 10.8 | 6 | 4.9 | 3 | 2.8 |
| 1701 - 2000 | 18 | 11.6 | 2 | 2.7 | 7 | 5.7 | 8 | 7.6 |
| 2001 - 2500 | 17 | 11.0 | 0 | - | 11 | 9.0 | 9 | 8.5 |
| 2501 - 3000 | 13 | 8.4 | 6 | 8.1 | 4 | 3.3 | 14 | 13.3 |
| 3001 - 3500 | 13 | 8.4 | 2 | 2.7 | 3 | 2.5 | 14 | 13.3 |
| 3501 - 4000 | 2 | 1.3 | 3 | 4.0 | 4 | 3.3 | 11 | 10.4 |
| 4001 - 4500 | 2 | 1.3 | - | - | 1 | 0.8 | 8 | 7.6 |
| 4501 - 5000 | - | - | - | - | 1 | 0.8 | 3 | 2.8 |
| 5001 - 5500 | - | - | - | - | - | - | 1 | 1.0 |
| 5501 - 6000 | - | - | - | - | 2 | 1.6 | - | - |
| 6001 - 6500 | - | - | - | - | 2 | 1.6 | - | - |
| TOTAL | 155 | 100.0 | 74 | 100.0 | 122 | 100.0 | 105 | 100.0 |
| Total funds expended or earned | $235,384 | | $90,425 | | $162,460 | | $249,870 | |

In addition, a savings occured when several recipients became ineligible for welfare benefits, for a variety of reasons not including work. Because of these individuals some $5,800 in public funds were not expended. Therefore, savings in welfare costs not attributable to going to work were $13,160. The total savings of public funds following training was $132,000.

The earnings of these recipients was one-quarter of a million dollars the first year after training. Under normal circumstances this could be expected to increase at a five percent rate each year thereafter or some $12,500 annually. In fact, when one recognizes the fact that the average annual earnings were only $2,380 -- a much higher rate of increase would appear to be realistic. Moreover, only thirty-five percent of the recipients were earning over $3000 per year, the basic federal poverty standard, when eighty-five percent were working full time. In other words, if only one-half of these recipients continue to work and the national average wage of just over $5000 is maintained, they will earn over $425,000 per year. Therefore, it would appear that $250,000 in earnings is a very conservative figure, since during the next few years these same people may be earning nearly one-half of a million dollars per year.

Perhaps even more striking was the finding that these were the earnings of two-thirds of the recipients. In effect, these people working full time and part time were earning almost $15,000 more than the total welfare costs the entire year prior to entering training. That is, they were earning $2.77 toward their own support for every $1.00 provided by welfare after training was completed.

A number of individuals were either partially or wholly supported through public funds after training had been completed. That is, welfare costs of $90,425 were incurred during the time when $249,870 was earned. On the other

hand, $23,000 was used to maintain persons full time on welfare, while $67,425 was used for partial maintenance. That is, seventy-five percent of those still on welfare were receiving only partial support. Immediately, the question was raised of how these people were able to maintain themselves if they did not receive sufficient funds from welfare. Part of the deficit was probably made up from unemployment insurance, but examination of welfare records shows that a relatively small percentage of the recipients used this method. The answer apparently lay in the 25 percent of the recipients that employment had been unable to contact. It was found that over two-thirds of these people were actually employed full or part time, yet employment was unable to complete a follow-up on them. This carried no reflection on the efforts of employment, since contacting these people after they have completed training is a very difficult task. Employment and welfare do work together on this problem, but the individual case worker does not become sufficiently involved to materially increase the number of recipients contacted. In effect, communication between line staff members in both departments is limited. However, that is not the issue here. The point being that a number of individuals, not followed up by employment and thus not included in the above earnings figure, may be working full or part time.

The exact earning power of these individuals was unknown. It was possible, however, to infer the extent of their earnings. For example, if two-thirds of these individuals were also employed on a full time or part time basis, and their average earnings were $2,380 as was previously established, their earning power would be approximately $83,330. Another way to estimate their earning power would be to take just those individuals who were receiving less than $145 per month. Welfare standards establish this as the minimum amount for which a family with

one child and one parent would be eligible. Individuals who received the maximum amount for the full year would be eligible for $29,580, and using the federal poverty standards, they would need at least another $40,000 to exist. Therefore, the earning power of these recipients must be around $50,000 annually.

Taking into consideration the above findings, it would appear that after training, recipients earned approximately $300,000. It cost $90,450 to maintain these individuals during the same year. Therefore, the net earnings in one year were at least $210,000. If one combines this earning power with the savings in public funds for just the first year after training, they would total nearly one-half of a million dollars!

Becoming employed not only eliminates or reduces severely the need for public assistance, it also contributes to the general economy. That is, the individual who receives a welfare grant does not pay income taxes on the amount he receives. Thus, the recipient who becomes employed now supports himself plus contributing to the public support of others. This study found that after training was completed nearly one-quarter of a million dollars was earned by individuals who had been or were still partially supported through public funds. This would provide between $30,000 and $50,000 in federal income taxes alone. In addition, there would be state income taxes, plus a host of hidden taxes paid by these wage earners. Perhaps an estimate of $50,000 in taxes contributed to public funds would be realistic.

Clearly, all of this adds up to a great deal of money, but the picture is not complete until the cost of training has been included. Table VI shows that the training allowances were $162,460. This total includes $104,471 in employment allowances and $57,989 in welfare grants. Thus, the county incurred 36 percent of

the training costs, while the federal share was 64 percent. Welfare grants averaged $475 per trainee and employment allowances averaged $856 or a total training cost of $1,331 per trainee. Recipients average 4.8 months in training. The cost per trainee per month was some $290 in welfare grants and employment allowances.

The other portion of the training costs are those associated with hiring teachers, renting equipment and facilities, purchasing books and supplies, and so on. These costs vary from one training class to another within a given occupation as well as between occupations. The cost per trainee also depends upon whether one includes only those who complete a class or everyone who enrolls. Table VII was prepared on the basis of all enrollees in prevocational training and each vocational area. It was also based upon the particular class where the recipient was trained. In this way, the differences between occupations and the differences between classes could be controlled.

It was found that the educational costs were just over $700 per recipient or about one-half as much as it cost to maintain the average recipient on welfare the year before he entered training (average per year was $1520 prior to training). This varied from $66 for training as a vine and tree pruner, to $2425 for a dental assistant, plus an average of $1090 for all those who went through prevocational training. The total educational costs of all types for all of the recipients was $175,232.

Total cost to train the 190 welfare recipients was $104,471 in employment allowances, $57,989 in welfare grants, and $175,232 in educational costs for a total training cost of $337,692.

TABLE VII

TRAINING COSTS

| Educational Program | Number of Trainees | Average Cost Per Trainee. | Total Cost |
|---|---|---|---|
| Prevocational | 74 | $1090 | $80,660 |
| Homemaker | 2 | 1282 | 2,564 |
| Nurse Aide | 47 | 176 | 8,261 |
| Custodian | 22 | 288 | 6,340 |
| Sales | 18 | 378 | 6,810 |
| Cashier | 1 | 1595 | 1,595 |
| Waitress | 6 | 377 | 2,262 |
| Clerk-Typist | 14 | 899 | 12,590 |
| Cook | 17 | 448 | 7,620 |
| Bank Teller | 3 | 388 | 1,165 |
| Bookkeeper | 4 | 532 | 2,162 |
| Groundsman | 4 | 624 | 2,496 |
| Service Station | 3 | 355 | 1,065 |
| LVN | 14 | 1152 | 16,125 |
| Dry Cleaner | 5 | 906 | 4,529 |
| Dairy | 3 | 900 | 2,700 |
| Pruner | 2 | 66 | 133 |
| Dental Assistant | 2 | 2425 | 4,850 |
| Farm Mechanic | 5 | 2261 | 11,305 |
| TOTAL | 246 | $ 712 | $175,232 |

In summary, it was found that welfare recipients who entered training at the New Hope Project cost $132,000 less to maintain on welfare than the year prior to training. After training was completed these same individuals earned nearly $300,000. Total earnings and savings of public funds the first year after training was $432,000, plus $50,000 in direct and indirect taxes. Cost to train including all educational costs, employment allowances, and welfare grants was $337,692. Total return on the investment in one year's time was nearly $100,000 while the return to Stanislaus County on an investment of $233,230 was almost $200,000. Yet, the most significant finding of all was not the tremendous return on the investment, but the fact that a way of life had been changed. Hopefully, the number of continuing welfare recipients will continue to be substantially reduced. The chain may be broken and the financial return of that alone could be very large.

CONCLUSIONS

1. That nearly one-half of all persons referred to the New Hope Project for training are known to the Department of Welfare.

2. That two-thirds of the individuals who are on welfare prior to or during the training process will no longer be on welfare.

3. That after completing training the likelihood of accepting non-training related employment is the same as that of accepting training related employment. In either case, however, there is an eighty percent probability that the employment will be full time.

4. That over one-half of the welfare recipients are employed after compleing training, one-fourth unemployed or out of the labor force and one-fourth could not be contacted.

5. That sixty percent of the recipients who are not seeking employment will state illness-pregnancy or keeping house as the reasons for their decision.

6. That the power to earn in certain occupations is so poor that some individuals still require financial support by welfare. In view of this it was surprising that they even bothered to seek employment.

7. That welfare expenditures the first year after training will decrease by 200 percent. Moreover, earnings during this first year will be greater than the total cost of maintaining welfare recipients the year prior to training.

8. That after training is completed recipients will earn nearly three dollars toward their own support for every one dollar provided by welfare. In fact, nearly three-fourths of the welfare costs after training are used for only partial support of welfare recipients. The remainder of their financial need is met by going to work.

9. That after training, earnings plus savings in welfare funds total nearly one-half of a million dollars. In fact, former welfare recipients contribute $50,000 in direct and indirect taxes that could be used to support current welfare recipients. In so doing they provide fifty-five percent of the funds paid to themselves by welfare.

10. That some five months of training is needed to make the average welfare recipient employable at a cost of just over $2000. This was more than matched by the average earning power of the recipient the first year after training.

11. Total return on an investment of $337,692 was nearly $100,000 in earnings and savings during the first year after training.

12. That on the basis of cost alone an investment in the type of training program provided by the New Hope Project will bring a handsome return. The value in returning people to society as an integral, participating being cannot be overestimated. In fact, if the cycle of poverty has been broken, if dependence upon public support is no longer needed, an infinite number of savings will result.

* * *

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Stanislaus County Multi-Occupational
Adult Training Project
MDTA New Hope Project

# Depleting Welfare Roles:

## A Study of Welfare Recipients

## WHAT MAKES THE DIFFERENCE?:

## FINDINGS PART III

Prepared by: Frank C. Pearce, Ph.D.
Adult Division, Modesto Junior College
Yosemite Junior College District
Modesto, California

# WHAT MAKES THE DIFFERENCE ?: FINDINGS PART III


Summary

After an extensive study of welfare recipient characteristics, attendance, case histories, test scores, and follow-ups from educational, employment and welfare records, it was possible to differentiate those who went off welfare after training from those who did not.

The likelihood of a given individual remaining on welfare after training will increase as the length of time he has been on welfare and the size of his welfare grant increases. Differences between those who went off welfare and those who did not were lacking on the variables of marital status, age, sex, length of time in the county, or previous source of earnings.

It would appear that the individual who remains on welfare after training will often have three or more children; have held two or more jobs during the past year; has usually worked part time; and will have less than four years of prior working experience. It is also probable that persons with very little education and those with more than tenth grade education are unlikely to remain on welfare after training.

Achievement testing was not an effective tool for differentiating welfare recipients. At the same time some of the aptitude scores such as intelligence, verbal, numerical and spacial, were somewhat more effective. Although none of these scores were adequate indicators, they would appear to be useful if used in combinations with other factors. During training, the recipient who attends over 95 percent of the time is very likely to go off welfare. in fact, a cutting line of 90 percent attendance during prevocational training could be established.

Essentially, it is clear that a number of quantified variables are available to identify those individuals who will stay on welfare after training. Additional measures of personality, attitude and subjective evaluations could add materially to the

value of such predictors.

Findings

The third portion of the welfare study findings were an attempt to identify variables that differentiated individuals who left welfare after training from those who stayed on welfare after training. This was an initial step in any attempt to explain why someone does or does not go off welfare. These findings carry no implication of cause and effect, since that was beyond the scope of the present study. However, it was possible to identify variables where additional research might be most productive.

The key difficulty encountered in this attempt was that attitudinal measures had not been conducted. That is, attitudes and values would appear to play a very large role in a decision regarding one's welfare status. Although males and females may think somewhat differently in this regard, the fact that one is male or female only reflects the persons attitude to a limited degree. Thus, when the device doing the measuring fails to be very precise, it is very difficult to measure small or minor differences. The point being, that when a difference does occur it is likely to be real and not the result of chance alone. At the same time, statements that there are no differences could be in error, if the measurement was too coarse to detect the differences that really did exist.

The individuals included in this study were persons who were no longer in training as of August 1, 1966. There were 190 people who were no longer in training on that date, 116 of these people were no longer on welfare, while 74 were still on the roles. Thus, these two groups served as the basis for identifying background and experience variables, which differentiate the individual who leaves the welfare roles from those who do not.

A number of areas were explored in the attempt to identify variables that

would differentiate the two groups. For example, a large amount of demographic data had been collected from educational, welfare and employment records. Moreover, data regarding attendance, employment follow-ups, case histories, general aptitude and achievement scores were analyzed. This information used individually and in combination provided a resaonably full range for study.

It would appear that the longer a recipient has been associated with welfare the greater would be the probability that he would remain on welfare after being trained. Table A was designed to examine this hypothesis. It was found that persons still on welfare tended to have had a longer association with welfare than those off welfare. That is, a larger proportion of those still on welfare after training had been associated with welfare two years or more. In addition, those that had been on welfare during training four months or more tended to continue their welfare association. Those who go off welfare during training were the most likely to remain off after leaving training. It would appear that the probability of a given recipient remaining on welfare after training would increase the longer he had been on welfare or if he was on welfare during the training period. Nearly one-half of the persons who were not on welfare after training were not on during training either. Therefore, as time associated with welfare decreases, the probability of being off welfare after training increases.

In terms of total months, those who had been associated with welfare for 24 months or more tended to remain on welfare after training. At the same time, it must be pointed out that thirty people who had been on welfare two or more years chose to leave the roles after training. In other words, one-fourth of those who left the roles had been associated two or more years, while one-half who stayed on had been associated two plus years. The point being, that time alone will not serve as an adequate indicator that can be generalized to all recipients.

The length of time one has been associated with welfare provides one

indication of the recipients commitment to welfare. Another such measure was the amount of financial support received by the recipient. For example, prior studies of the New Hope Project have shown that the earning power of several entry level occupations was so poor that one could earn more by staying on welfare than by going to work. Therefore, the question of "Does the recipient who stays on welfare tend to receive more from welfare than the recipient who leaves the roles?", was raised.

TABLE A

COMPARISON OF MONTHS ASSOCIATED WITH WELFARE
PRIOR TO AND DURING TRAINING

| Number of Months | Off Welfare Roles f | % | On Welfare Roles f | % |
|---|---|---|---|---|
| **Prior to entering training** | | | | |
| 0 | 24 | 20.7 | 11 | 14.9 |
| 1-4 | 31 | 26.8 | 12 | 16.2 |
| 5-8 | 17 | 14.6 | 10 | 13.5 |
| 9-12 | 10 | 8.6 | 8 | 10.8 |
| 13-24 | 16 | 13.8 | 11 | 14.9 |
| 25-48 | 8 | 6.9 | 12 | 16.2 |
| 49 or more | 10 | 8.6 | 10 | 13.5 |
| TOTAL | 116 | 100.0 | 74 | 100.0 |
| **During training** | | | | |
| 0 | 52 | 44.8 | 15 | 20.3 |
| 1-4 | 43 | 37.1 | 31 | 41.8 |
| 5-8 | 14 | 12.1 | 17 | 23.0 |
| 9-12 | 5 | 4.3 | 7 | 9.5 |
| 13 or more | 2 | 1.7 | 4 | 5.4 |
| TOTAL | 116 | 100.0 | 74 | 100.0 |

Through Table B, it was found that the median grant prior to training of persons off welfare after training was $156 and the median grant for those still on welfare was $190. It was found that the proportion of recipients still on welfare after training who had received two hundred dollars or more prior to training tended to be twice as high as those off welfare. That is, nearly one-half of the recipients still on welfare received over 200 dollars compared to twenty-five percent of the individuals who had left the roles. This would suggest that the amount of the recipient's grant prior to training was an indicator of the recipient's later decision to remain on welfare.

TABLE B

COMPARISON OF GRANTS PRIOR TO TRAINING

| Amount of Grant | Off Welfare f | % | On Welfare f | % |
|---|---|---|---|---|
| 100 or less | 9 | 9.3 | 3 | 4.8 |
| 101-150 | 36 | 37.1 | 16 | 25.4 |
| 151-200 | 28 | 28.9 | 16 | 25.4 |
| 201-250 | 16 | 16.5 | 13 | 20.6 |
| 251-300 | 7 | 7.2 | 9 | 14.3 |
| 301 or more | 1 | 1.0 | 6 | 9.5 |
| TOTAL | 97 | 100.0 | 63 | 100.0 |

It was found that the recipients who had been on welfare the longest were also the recipients who received the largest grants. That is, those who received 200 dollars or less had been associated with welfare an average of 17 months, while those who received more than 200 dollars had been on welfare an average of 21 months. The findings provided by Table B would appear to suggest that those who had been on welfare the longest also tended to have the larger grants, while those who had been on

the longest and had the larger grants also were the most likely to remain on welfare after training. The point being, that these are the individuals who find it most difficult to leave welfare roles. These findings do not suggest why the recipient remains on welfare, but rather that recipients with the larger grants and longer welfare association do stay on welfare after training. It would seem probable that these two conditions, time and money, reflect an attitude, but by themselves are relatively meaningless.

Another personal commitment item that could reflect the basic decision was whether or not the recipient had received surplus food. It was found that 36 percent of those who left welfare after training had received surplus food on a relatively regular basis, while 34 percent of those still on welfare after training had done so. Apparently, the acquision of surplus food was a poor indicator of recipients who might choose to remain on welfare.

In this same vein, the recipients property was examined. Ten percent of those who left welfare had real property, while thirteen percent of those who stayed on owned real property. Eighty percent of those who stayed on welfare had a car, while seventy-five percent of those who went off also had a car. In effect, possession of real or personal property was not an indication of decisions to remain on or leave welfare roles.

Findings to this point have explored the effectiveness of some of the recipients welfare activities as indicators of his actions after training. Another area of possible indicators were characteristics of the recipients. Here the study was concerned with personal attributes that may differentiate those who stayed on welfare from those who left after training. For example, a recipient's grant is often dependent upon the number of children he has. This was combined with the recipients marital status, since it is also reflected in the amount of the grant.

Through Table C, it was found that a higher proportion of the persons off

welfare had two or less children than those who stayed on welfare after training. That is, 75 percent of those who left welfare had two or less children, while 50 percent of those who stayed on welfare had three or more children.

TABLE C

COMPARISON ON NUMBER OF CHILDREN - MARITAL STATUS

| Marital Status | Persons off welfare | | | | Persons on welfare | | | |
|---|---|---|---|---|---|---|---|---|
| | 1-2 children | | 3 + children | | 1-2 children | | 3 + children | |
| | f | % | f | % | f | % | f | % |
| Single | 2 | 2.6 | — | — | 5 | 14.3 | 1 | 2.9 |
| Married | 33 | 42.3 | 16 | 59.3 | 12 | 34.3 | 25 | 73.6 |
| Divorced | 11 | 14.1 | 9 | 33.3 | 3 | 8.6 | 5 | 14.7 |
| Widowed | 1 | 1.3 | 2 | 7.4 | 2 | 5.7 | — | — |
| Separated | 31 | 39.7 | — | — | 13 | 37.1 | 3 | 8.8 |
| TOTAL | 78 | 100.0 | 27 | 100.0 | 35 | 100.0 | 34 | 100.0 |

The proportion of persons who were off welfare and divorced or separated was nearly twice that of persons who were still on welfare and divorced or separated. There were no differences between the proportion in each group that were married. This would seem to suggest that persons who were not married would be more likely to leave welfare after being trained, while married recipients would be just as likely to go off as stay on.

By combining marital status and number of children these apparent differences ceased to exist. For example, persons who were divorced or separated and had two or less children were about as likely to stay on welfare as to go off welfare according to Table C. This does not negate the previous findings, but does point out the inadequacy of marital status as an indicator of attitude. That is, Table C shows that number

TABLE D

COMPARISON ON SEX, AGE, EARNINGS AND LENGTH OF RESIDENCY

| Characteristic | Off Welfare f | Off Welfare % | On Welfare f | On Welfare % |
|---|---|---|---|---|
| **Sex** | | | | |
| Male | 35 | 30 | 23 | 31 |
| Female | 81 | 70 | 51 | 69 |
| TOTAL | 116 | 100 | 74 | 100 |
| **Family earnings year prior to training** | | | | |
| Less than $3,000 | 52 | 80 | 45 | 83 |
| 3000-5000 | 11 | 17 | 9 | 17 |
| Above 5000 | 2 | 3 | — | — |
| TOTAL | 65 | 100 | 54 | 100 |
| **Age** | | | | |
| 20 or less | 12 | 10 | 6 | 8 |
| 21-30 | 35 | 30 | 31 | 42 |
| 31-40 | 41 | 36 | 21 | 28 |
| 41-50 | 21 | 18 | 10 | 14 |
| 51 or more | 7 | 6 | 6 | 8 |
| TOTAL | 116 | 100 | 74 | 100 |
| **Years resided in Stanislaus County** | | | | |
| 1 or less | 7 | 10 | 5 | 9 |
| 2-5 | 18 | 26 | 15 | 27 |
| 6-10 | 14 | 21 | 12 | 21 |
| 11-15 | 7 | 10 | 10 | 18 |
| 16-20 | 8 | 12 | 8 | 14 |
| Over 20 | 14 | 21 | 6 | 11 |
| TOTAL | 68 | 100 | 56 | 100 |

of children (3 or more) is a more sensitive indicator. The proportion of married recipients who left welfare and had either one to two or three children were practically the same, while the proportion of those who stayed on welfare and had three or more children was twice that of recipients with one to two children.

Other personal characteristics that could reflect the decision to leave welfare were explored in Table D. No differences were found between males and females in this regard. This was also true of family earnings, but the selection process takes earnings into account which makes the group so homogeneous that differences would be very difficult to discern if they did exist. In terms of age it was found that the median age of those who stayed on welfare was 30, while those who left averaged 33 years of age. It was apparent that a trend toward a higher proportion of persons who left welfare after training being somewhat older existed. Such a trend was not apparent in terms of the length of time a recipient had resided in the county. Those who left the roles had been in the county about eight years, as had those who remained on the roles.

It was established that both comparison groups had acquired their financial support in a similar manner prior to entering training. Table E shows that the proportion using work was slightly higher for those off welfare, while those on welfare after training tended to have a higher proportion using public funds. The differences were too small, however, to be significant.

TABLE E

COMPARISON ON MEANS OF FINANCIAL SUPPORT

| Means of Support | Off Welfare f | Off Welfare % | On Welfare f | On Welfare % |
|---|---|---|---|---|
| Work | 28 | 40 | 21 | 37 |
| Work and Public Funds | 18 | 26 | 13 | 23 |
| Public Funds | 24 | 34 | 22 | 40 |
| TOTAL | 70 | 100 | 56 | 100 |

Similar trends were found in Table F, but again, the differences were quite small. For example, 42 percent of those who were off welfare had worked full time, while 65 percent of those on welfare had worked part time. Over one-half of those off welfare had not held a full time job for a year, as opposed to one-third of those who were off welfare. The proportion holding either one or two full time jobs was slightly higher for those who were off welfare. This pattern was also repeated for years of gainful employment, where those persons off welfare had been employed an average of six years while persons on welfare had been so employed for four years.

Approximately one-third of both groups had been unemployed less than one month prior to training. In addition, the median weeks of unemployment was eleven weeks. In effect, there was very little difference between the two groups in terms of specific portions of their work history. However, if one were to combine each of these, a correlation matrix could be prepared to show which combination had the greatest predictive power. The point being, that work history could serve as a single variable to predict the probability of a recipient going off welfare after training.

Unemployment Insurance is a function of having worked, since one is not eligible for such benefits until he has worked. In view of the finding that recipients with a work history are more likely to be off welfare after training it seemed reasonable to find that a higher proportion of persons off welfare had drawn such funds. That is, 21 percent of those who were off welfare had drawn such funds as compared to 8 percent of those who were still on welfare. Table F also shows that a higher proportion of the persons on welfare were returning to the labor market when they entered training.

Another characteristic explored in this study was educational background. Through Table G, it was found that the recipients' prior education does not effectively differentiate the two groups. A slight difference in terms of those who had completed less than eight grades or more than twelve grades was found. Apparently, those at

TABLE F

COMPARISON ON PREVIOUS EMPLOYMENT CHARACTERISTICS

| Employment Characteristic | Off Welfare f | Off Welfare % | On Welfare f | On Welfare % |
|---|---|---|---|---|
| **Nature of past employment** | | | | |
| Full time | 24 | 42 | 17 | 35 |
| Part time | 33 | 58 | 31 | 65 |
| TOTAL | 57 | 100 | 48 | 100 |
| **Number of full time jobs held one year or more** | | | | |
| None | 25 | 38 | 28 | 56 |
| 1 | 23 | 35 | 13 | 26 |
| 2 | 18 | 27 | 9 | 18 |
| TOTAL | 66 | 100 | 50 | 100 |
| **Years of gainful employment** | | | | |
| None | 6 | 5 | 3 | 4 |
| 1-2 | 34 | 29 | 31 | 42 |
| 3-9 | 47 | 41 | 22 | 30 |
| 10 or more | 29 | 25 | 18 | 24 |
| TOTAL | 116 | 100 | 74 | 100 |
| **Claimant of unemployment insurance** | | | | |
| Yes | 24 | 21 | 6 | 8 |
| No | 92 | 79 | 68 | 92 |
| TOTAL | 116 | 100 | 74 | 100 |
| **Employment status when entered training** | | | | |
| Underemployed | 7 | 6 | 5 | 7 |
| Unemployed | 72 | 62 | 41 | 55 |
| Reentrant to labor force | 37 | 32 | 28 | 38 |
| TOTAL | 116 | 100 | 74 | 100 |

both ends of the educational spectrum had a somewhat higher probability of leaving welfare after training. This was consistent with subjective observations noted in earlier reports on the project where it was suggested that such individuals could see merit in their efforts more readily, while those in the educational middle knew just enough to feel that they already had sufficient training. In effect, they had a more negative outlook on the program and what it might do for them.

TABLE G

COMPARISON ON PRIOR EDUCATION

| Highest Grade Completed | Off Welfare f | Off Welfare % | On Welfare f | On Welfare % |
|---|---|---|---|---|
| 0-4 | 6 | 5.2 | 3 | 4.0 |
| 5-7 | 14 | 12.1 | 6 | 8.1 |
| 8-9 | 47 | 40.5 | 30 | 40.5 |
| 10-11 | 24 | 20.7 | 26 | 35.2 |
| Over 11 | 25 | 21.5 | 9 | 12.2 |
| TOTAL | 116 | 100.0 | 74 | 100.0 |

No differences were found between the two groups in terms of why they had left school. This finding, plus the knowledge that such reasons are often invalid because they are simply too general to show any variation, would appear to support the inadequacy of reasons for leaving school as an indicator. Measurement of valid reasons through a scale could produce entirely different results, but that quality of data was unavailable.

The educational level of a recipient's father was known in very few instances; however, those reporting did reveal an apparent pattern. That is, 85 percent of those who left welfare had fathers with more than an eighth grade education, as opposed to 40 percent off welfare having fathers with less than an eighth grade education. The

number of cases was too small to suggest that the findings were significant, but the differences are large enough to suggest their initial inclusion in a prediction study.

Another consideration in attempting to identify factors that differentiate welfare recipients was test scores. Table H provided a description of grade placement scores from the California Achievement Test. The proportion of recipients who were tested was relatively low, making generalizations rather difficult. In effect, the addition or subtraction of very few cases could change the percentage materially.

TABLE H

COMPARISON ON ACHIEVEMENT LEVELS

| Grade Level | Off Welfare f | Off Welfare % | On Welfare f | On Welfare % |
|---|---|---|---|---|
| | Reading achievement | | | |
| 0-4 | 4 | 12 | 1 | 4 |
| 5-7 | 12 | 38 | 10 | 42 |
| 8-9 | 12 | 38 | 11 | 46 |
| Over 9 | 4 | 12 | 2 | 8 |
| TOTAL | 32 | 100 | 24 | 100 |
| | Mathematics achievement | | | |
| 0-4 | 4 | 12 | 3 | 11 |
| 5-7 | 16 | 47 | 11 | 39 |
| 8-9 | 12 | 35 | 12 | 43 |
| Over 9 | 2 | 6 | 2 | 7 |
| TOTAL | 34 | 100 | 28 | 100 |
| | Language achievement | | | |
| 0-4 | 5 | 17 | 2 | 9 |
| 5-7 | 13 | 43 | 7 | 30 |
| 8-9 | 9 | 30 | 9 | 39 |
| Over 9 | 3 | 10 | 5 | 22 |
| TOTAL | 30 | 100 | 23 | 100 |

The recipient's grade level of achievement was taken from the last testing prior to leaving pre-vocational training. At that time approximately 10 percent of the 74 recipients referred to pre-vocational were at or below the fourth grade level, while some 10 percent were at or above the tenth grade level. Seventeen of the remaining 45 recipients were between the fifth and seventh grade level and twenty-eight were between the eigth and ninth grade level. These proportions remained approximately the same for recipients who did or did not go off welfare in terms of reading, mathematics and language achievement. That is, both groups had exhibited about the same degree of achievement and achievement scores did not differentiate the two groups.

The General Aptitude Test Battery, as developed by the Employment Service was given to all trainees. This battery attempts to provide a measure of nine aptitudes needed to one degree or another in the world of work. Scores on these tests hold no meaning in themselves and are not intended to be interpreted individually, but in combination as they may fit an occupational pattern. In this study they provide ordinal data to order recipients on a numerical basis.

It was found that the tests could be combined into three groups according to their ability to differentiate between those who did and those who did not leave welfare after training. That is, those who went off welfare tended to have higher "G", verbal, numerical and spacial factor scores. Very little difference in scores was found between the two groups in terms of motor coordination, finger dexterity and manual dexterity. In terms of form and clerical perception the scores were somewhat mixed and no consistent trends were found.

However, on an overall basis there were no differences which had a practical significance. Instead, Table I tends to support the inclusion of some scores in a prediction study. For example, 11 percent more of the persons still on welfare received "G" scores below eighty, while 10 percent more of the persons off welfare

received scores over one hundred and nine. Proportions between these two scores were practically the same. Moreover, the median score of those off welfare was 90 and the median for those on welfare was 88. Upon this basis, it was noted that scores on the "G", "V", "N", and "S" factors could be considered in a study to identify those with the highest probability of remaining on welfare after being trained.

The testing program described above serves as a tool in determing both the level and location of trainee placement. In addition to testing, placement is also based upon a number of subjective considerations, attitude, previous work history, desire, personality, etc. Since these considerations were not measured, placement itself may serve as a gross indicator of this subjective evaluation. For example, individuals referred to pre-vocational training would be expected to have more deficiencies than those referred directly to a vocational class.

It was found that 58 percent of the recipients referred to pre-vocational training had left welfare roles after training, while 42 percent were still on welfare. In a like manner, 63 percent of those referred directly to a vocational class left welfare after training and 37 percent stayed on welfare after training. Essentially, there were no apparent differences.

TABLE I

COMPARISON ON GENERAL APTITUDE TEST SCORES

| Aptitude Score | Off Welfare f | Off Welfare % | On Welfare f | On Welfare % |
|---|---|---|---|---|
| General intelligence (G) | | | | |
| Under 80 | 23 | 24 | 23 | 35 |
| 80-89 | 27 | 26 | 16 | 25 |
| 90-99 | 27 | 26 | 17 | 26 |
| 100-109 | 26 | 24 | 9 | 14 |
| TOTAL | 103 | 100 | 65 | 100 |

TABLE I COMPARISON ON GENERAL APTITUDE TEST SCORES (cont'd)

| Aptitude Scores | Off Welfare f | % | On Welfare f | % |
|---|---|---|---|---|
| **Verbal aptitude (V)** | | | | |
| Under 80 | 15 | 14 | 15 | 23 |
| 80-89 | 31 | 30 | 18 | 28 |
| 90-99 | 27 | 26 | 16 | 24 |
| 100 or more | 32 | 30 | 17 | 25 |
| TOTAL | 105 | 100 | 66 | 100 |
| **Numerical aptitude (N)** | | | | |
| Under 80 | 40 | 38 | 30 | 46 |
| 80-89 | 28 | 26 | 14 | 22 |
| 90-99 | 18 | 17 | 15 | 23 |
| 100 or more | 20 | 19 | 6 | 9 |
| TOTAL | 106 | 100 | 65 | 100 |
| **Spacial perception (S)** | | | | |
| Under 80 | 25 | 23 | 25 | 38 |
| 80-89 | 24 | 22 | 18 | 27 |
| 90-99 | 25 | 23 | 5 | 8 |
| 100 or more | 34 | 32 | 18 | 27 |
| TOTAL | 108 | 100 | 66 | 100 |
| **Form perception (P)** | | | | |
| Under 80 | 34 | 32 | 25 | 38 |
| 80-89 | 22 | 21 | 9 | 14 |
| 90-99 | 30 | 28 | 16 | 24 |
| 100 or more | 21 | 19 | 16 | 24 |
| TOTAL | 107 | 100 | 66 | 100 |
| **Clerical perception (Q)** | | | | |
| Under 80 | 20 | 19 | 16 | 25 |
| 80-89 | 25 | 24 | 22 | 32 |
| 90-99 | 30 | 28 | 10 | 15 |
| 100 or more | 31 | 29 | 18 | 23 |
| TOTAL | 106 | 100 | 66 | 100 |

TABLE I COMPARISON ON GENERAL APTITUDE TEST SCORES (cont'd)

| Aptitude Scores | Off Welfare f | % | On Welfare f | % |
|---|---|---|---|---|
| **Motor coordination (K)** | | | | |
| Under 80 | 25 | 23 | 14 | 22 |
| 80-89 | 27 | 25 | 22 | 33 |
| 90-99 | 22 | 21 | 8 | 12 |
| 100 or more | 34 | 31 | 22 | 33 |
| TOTAL | 108 | 100 | 66 | 100 |
| **Anger dexterity (F)** | | | | |
| Under 80 | 31 | 29 | 23 | 34 |
| 80-89 | 16 | 15 | 11 | 17 |
| 90-99 | 29 | 27 | 11 | 17 |
| 100 or more | 32 | 29 | 21 | 32 |
| TOTAL | 108 | 100 | 66 | 100 |
| **Manual dexterity (M)** | | | | |
| Under 80 | 27 | 25 | 17 | 27 |
| 80-89 | 22 | 21 | 12 | 18 |
| 90-99 | 24 | 22 | 12 | 18 |
| 100 or more | 35 | 32 | 24 | 37 |
| TOTAL | 108 | 100 | 65 | 100 |

This raised the question of whether recipients who went through prevocational to vocational training were any more likely to go off welfare than recipients referred directly to a vocational class. It was found through Table J that nine percent more of the recipients with pre-vocational and Nurse Aide training left welfare than stayed on welfare as compared to six percent more of those who went directly to Nurse Aide training. In the culinary occupation 21 percent more of the recipients with pre-vocational training stayed on welfare than went off, while 4 percent more of the direct culinary referrals stayed on welfare than went off. In agricultural occupations 9 percent of the pre-vocational referrals went off welfare than stayed on welfare and

13 percent more of the direct referrals stayed on welfare than left welfare.

TABLE J

COMPARISON OF PRE-VOCATIONAL AND DIRECT REFERRALS

| | Off Welfare | | | | On Welfare | | | |
|---|---|---|---|---|---|---|---|---|
| | Pre-vo | | Direct | | Pre-vo | | Direct | |
| Program | f | % | f | % | f | % | f | % |
| Nurse Aide | 8 | 24 | 25 | 35 | 4 | 15 | 12 | 29 |
| L.P.N. | 0 | — | 12 | 16 | 0 | — | 4 | 9 |
| Custodian | 4 | 12 | 11 | 15 | 3 | 12 | 4 | 9 |
| Culinary | 2 | 6 | 9 | 12 | 7 | 27 | 7 | 16 |
| Business | 15 | 46 | 9 | 12 | 10 | 38 | 6 | 14 |
| Agriculture | 4 | 12 | 2 | 3 | 1 | 4 | 7 | 16 |
| Other | 0 | — | 5 | 7 | 1 | 4 | 3 | 7 |
| TOTAL | 33 | 100 | 73 | 100 | 26 | 100 | 43 | 100 |

Thus, even through a gross measure small differences were noted that would suggest the preliminary inclusion of these subjective considerations in a prediction study, providing that such considerations were quantified.

Once the individual has entered training the value of being able to predict the likelihood of his leaving welfare roles decreases. However, certain types of behavior could reflect this decision early enough in the training process to alert the staff to this possibility. For example, the percentage of time the trainee is in attendance or his attendance pattern. Such an analysis was shown in Table K where attendance during prevocational, vocational and total program attendance were explored.

It was found that during pre-vocational training that the individual off welfare had averaged 90 percent attendance, as compared to 85 percent for those on welfare. In addition, there was a clear trend showing that as attendance percentages.

increased the number of persons who went off welfare increased. For example, 13 percent of those off welfare had attended less than 75 percent of the time, while 25 percent of those on welfare after training had attended less than 75 percent of the time. At the other extreme, fifty percent of the recipients off welfare had attended pre-vocational classes over 90 percent of the time, but only 25 percent of the recipients on welfare had this rate of attendance.

During vocational training this degree of difference was not found. That is, 9 percent of those off welfare had attended less than 75 percent of the time as compared to 11 percent of those who were on welfare after training. In effect, the proportions were the same. This reducing effect was noted in the total attendance pattern where 64 percent of those off welfare had been present over 90 percent of the time and 55 percent of those on welfare had a similar rate of attendance.

TABLE K

ATTENDANCE PATTERNS

| Percent of Attendance | Prevocational f | Prevocational % | Vocational f | Vocational % | Total Program f | Total Program % |
|---|---|---|---|---|---|---|
| **Off Welfare** | | | | | | |
| Under 51 | 2 | 4 | 2 | 2 | 2 | 2 |
| 51-75 | 4 | 9 | 7 | 7 | 8 | 7 |
| 76-85 | 7 | 16 | 10 | 10 | 13 | 11 |
| 86-90 | 9 | 21 | 18 | 17 | 19 | 16 |
| 91-95 | 7 | 16 | 17 | 17 | 20 | 17 |
| 96-100 | 15 | 34 | 48 | 47 | 54 | 47 |
| TOTAL | 44 | 100 | 102 | 100 | 116 | 100 |
| **On Welfare** | | | | | | |
| Under 51 | 2 | 6 | 1 | 1 | 2 | 3 |
| 51-75 | 6 | 19 | 7 | 10 | 9 | 12 |
| 76-85 | 8 | 25 | 6 | 9 | 11 | 15 |
| 86-90 | 8 | 25 | 8 | 12 | 11 | 15 |
| 91-95 | 3 | 9 | 18 | 27 | 15 | 20 |
| 96-100 | 5 | 16 | 27 | 41 | 26 | 35 |
| TOTAL | 32 | 100 | 67 | 100 | 74 | 100 |

CONCLUSIONS

1. That as the length of time one has been associated with welfare increases the probability of that person remaining on welfare after training also increases. The recipient who remains on welfare throughout the training process will usually stay on welfare after training. The breaking points appear to be two years of welfare association prior to and during training and/or four months of association during training. Moreover, as the recipient's grant increases the probability that he will remain on welfare after training will increase.

2. That the recipient who receives surplus food or owns personal property is just as likely to go off welfare after training as the individual who does not seek such assistance or own such property.

3. That the individual who has two or less children has a twenty-five percent greater probability of leaving welfare roles than does the individual with three or more children. Moreover, the person who is divorced or separated is twice as likely to go off welfare after training as stay on welfare. On the other hand, if married, the probability of either decision remains the same.

4. That family earnings, sex and age are not adequate indicators of the individual's decision to remain on welfare after training. For these variables, the probability of a decision in either direction is the same.

5. That the individual who seeks financial support by a means other than public assistance, who normally engages in this activity full time and who seldom changes jobs will probably go off welfare after training. Thus, as the years of gainful employment increases the probability of going off welfare will increase.

Moreover, this will occur when such gainful employment is only one-third of the total time spent in the county. In effect, a number of aspects of the individual's work history will predict welfare participation

6. That the recipient's level of education will have the greatest impact upon a decision to leave welfare when that education is less than grade eight or more than grade twelve. Moreover, when the education of the individual's father is less than grade 8 the probability of his staying on welfare is increased.

7. That ability and performance measures do not serve as adequate indicators of a recipient's decision to leave welfare roles after training. The proportion of achievement scores at any given educational level are the same for those who stay on welfare as they are for those who go off welfare. At the same time aptitude scores are distributed in approximately the same way for both groups. Thus, it is apparent that the individual's academic performance on his ability to perform in class bears a poor relationship to the recipient's behavior in being self supporting after training. This relationship however, can be improved by using test scores in combination with other variables to predict welfare behavior.

8. That the individual who goes through pre-vocational training is no more likely to go off welfare than the person who does not receive such training. In addition, each educational program offered by the New Hope Project has the same proportion of recipients who leave welfare as stay on welfare. No one program is any more effective in this regard then any other program.

9. That during the training process individuals who fail to maintain a ninety percent attendance rate will be the most likely to stay on welfare after training.

10. That subjective considerations which reflect the recipient's attitudes, values, and other personal qualities would serve as effective indicators of welfare behavior if they were quantified. This could be considered through a scale process so as to quantify these variables. The use of such scales in combination with the qualities identified in this study could then lead to a formula for predicting the likelihood that a given individual would go off welfare after training.

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